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**USTR Concludes Review of Guatemala's Labor Practices
and Trade Preferences Under U.S. Law**

WASHINGTON – U.S. Trade Representative Robert B. Zoellick today announced the conclusion of a U.S. Government review of Guatemala's eligibility for trade preferences under the Generalized System of Preferences and Caribbean Basin Trade Partnership Act statutes. The review was initiated under trade law provisions that require the United States to consider specific core labor practices in countries benefitting from U.S. trade preferences. The review of Guatemala focused in particular on serious and long-standing concerns about violence against workers in that country.

As a result of progress with regard to the statutory objectives established for the labor practices review, Guatemala will retain its current benefits under the GSP and CBTPA trade preference programs. Senior Guatemalan officials worked constructively during the review, producing the following meaningful advances in labor law and practice:

- the Guatemalan Congress enacted, on May 14, a notable package of reforms to the country's labor law, aimed at bringing the law into compliance with Guatemala's long-standing obligations under International Labor Organization conventions and strengthening the enforcement authority of the Ministry of Labor;
- Guatemalan government, labor, and private sector contacts engaged with a Direct Contacts Mission of the International Labor Organization, focused on the problems of violence against workers and impunity for those perpetrating this violence;
- the Guatemalan government has appealed charges and sentences of those convicted of mounting a violent attack on banana union leaders in October 1999; and
- the Guatemalan government facilitated resolution of a labor dispute involving banana workers, enabling the re-employment of over 600 illegally dismissed workers.

"Violence against workers in Guatemala has been a serious concern for the United States for many years," noted Ambassador Zoellick. "Guatemala's efforts, during the course of our review under U.S. law, to address these concerns provide a foundation for further progress in assuring the security of

workers.” Ambassador Zoellick expressed appreciation to Guatemalan President Portillo and members of his administration for their work on these issues.

Although the Guatemalan Government has made significant progress, the United States remains convinced that additional steps will be necessary to bring about an environment in which Guatemalan workers can participate under the law with assurances of their security. To encourage further progress, the United States will continue to monitor labor practices in Guatemala, will engage in consultations with Guatemala prior to May 2002 to review progress, and retains the ability to reinstate a formal review should circumstances warrant.

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